

Past Commitments

King County has been a regional leader among local governments in spending on salmon-related planning and projects. The county has invested heavily in the following major programs:

- Planning
- Land Acquisition
- Habitat Restoration
- Public Outreach
- Intergovernmental Coordination

Many of the specific programs are discussed in Chapter 5.

Planning

Since 1998, King County has provided more than \$11 million to fund a variety of plans focused on salmon habitat needs and priorities, including basin plans for five major stream and river basins, habitat inventories, and detailed studies such as the Lake Washington Studies and the Green/Duamish Ecosystem Restoration Study. The primary source for this funding has been Surface Water Management fees collected in the SWM service district.

Land Acquisition

As discussed in detail in Chapter 5, King County has provided more than \$160 million for acquisition of riparian and upland habitat that directly benefits salmon through programs such as Waterways 2000 and Cedar River Legacy. More detail on funds by source and program can be found in Chapter 5, Table 1. The primary sources of these funds have been real estate excise taxes, bonds, and current expense funds.

Habitat Restoration

King County has provided more than \$19 million in Surface Water Management funds to restore habitat along salmon-bearing streams and rivers in the last decade. Most of this funding has been allocated through the basin plans, although the first wave of ESA-related planning has established new priorities for 1998 and 1999 funding.

Public Outreach

The county has spent more than \$2.8 million on salmon-related public outreach activities over the past 10 years, including public education, volunteer events, stewardship and communications. The primary source for this funding has been Surface Water Management fees collected in the SWM service district.

Intergovernmental Coordination

In the last five years, King County has provided more than \$4.9 million to establish and support the Watershed Forums and WRIA Steering Committees

to convene local governments and other interests to address salmon issues. The primary funding sources for coordination have been Surface Water Management fees collected in the SWM service district and current expense funds.

Even with this incomplete assessment, which does not include substantial prior funding on operations and maintenance, roads capital improvements related to habitat, and many other projects and programs, King County has spent more than \$195 million on salmon-related initiatives in the past.

Current Budget

King County has reacted to the proposed listing of Puget Sound Chinook salmon with major new funding commitments to ESA-related planning and projects. Full costs in 1998 are still being tallied, but the fourth quarter of the year is fully accounted for in a supplemental budget adopted by the King County Council in 1998, in which \$6 million was allocated for programmatic and project costs associated with the ESA response. Note that the programmatic costs for the first three quarters will add considerably to the totals once tallied.

King County has continued a major funding commitment in 1999, the current budget year, in which more than \$9.4 million in local funding has been dedicated to ESA-related planning and projects. Table 1 summarizes staffing and contracting costs associated with ESA response in 1998 and 1999. Table 2 includes costs of habitat acquisition and restoration work for 1998 and 1999.

Table 1

Agency	Activity	*1998 FTE	1998 Budget	1999 FTE	1999 Budget
Dep't of Development and Environmental Services	Fish studies, factors for decline, GIS, permit reviews, inspections	5.2	\$186,914	8.0	\$663,285
Roads Division	Inventory and data collection, capital projects, training on BMPs, fish studies, public outreach	0.5	\$508,779	3.0	\$1,162,462
Office of Prosecuting Attorney	Legal support to ESA response	1.0	\$67,832	2.0	\$123,429
Office of Regional Policy Planning	Inventory policies, plans, and land use regulations and land use regulations	0.2	\$14,525	0.5	\$34,537
Executive Office	Public education and outreach	0.5	\$149,821	1.0	\$4,4311
County Council	Federal funding	0.0	\$16,000	0.0	\$16,000
ESA Policy Office (DNR)	Coordination of King County and Tri-County ESA response, tribal liaison, NMFS coordination	1.5	\$208,269	3.0	\$339,601
Rivers Section (DNR)	Coordination with county flood protection program, operations and maintenance	0.2	\$15,109	4.0	\$435,836
Water and Land Resources Section (DNR)	Watershed planning, technical and scientific studies, Section GIS, HCP support, lakes and marine studies, water quality studies, funding coordination	5.5	\$664,109	19.5	\$2,614,063
Wastewater Treatment Division (DNR)	HCP coordination, marine studies, water quality analyses, fish studies, public outreach	0.0	\$0	9.1	\$1,674,845
TOTALS		14.8	\$1,831,358	50.0	\$7,108,369

* 4th quarter only

Table 2

Fund	Project #	Description	*1998 Budget	1999 Budget
Roads Construction	401098	Lower Neuwaukum Creek	\$300,000	
Roads Construction	401298	Rock Creek Enhancement	\$100,000	
Roads Construction	401498	Taylor Creek Relocation	\$500,000	
Roads Construction	200898	Harris Creek Culvert Replacement	\$400,000	
Roads Construction	RDCW09	Carey Creek Fish Passage		
Roads Construction	RDCW18	Tiger Mountain Road		\$350,000
Roads Construction	201597	Issaquah-Fall City Road		\$259,000
Roads Construction	999994	ESA Project Mitigation		\$517,000
Roads Construction	RDCW18	Rock Creek culverts		\$200,000
Roads Construction	RDCW09	Fish Passage Impediment Removal		\$92,000
SubTotal ROADS			\$1,300,000	\$1,418,000
SWM CIP Non-Bond	OB1505	O'Grady Park-Habitat Restoration	\$200,000	
SWM CIP Non-Bond	OC1505	O'Grady Culvert Improvement	\$65,000	
SWM CIP Non-Bond	OB1790	Dumas Bay Eelgrass Restoration	\$125,000	
SWM CIP Non-Bond	OA1137	Cedar River Habitat Acquisition	\$235,000	
SWM CIP Non-Bond	XXXXX	Contingency Matching Grant Fund		\$100,000
SubTotal SWM			\$625,000	\$100,000
Open Space - Non-Bond County Projects	352312	Middle Green River Acquisitions	\$300,000	
Open Space - Non-Bond County Projects	352305	Cedar River Legacy Acquisitions	\$265,000	
Open Space - Non-Bond County Projects	352214	Middle Fork Snoqualmie Waterways 2000 Completion Acquisitions	\$100,000	
Open Space - Non-Bond County Projects	352311	Issaquah Creek Waterways 2000 Acquisitions	\$265,000	
Open Space - County Projects	352XXX	Contingency for ESA Related Habitat		\$50,000
Conservation Futures		Cedar River Legacy Acquisitions or ESA related federal matching funds		\$750,000
SubTotal Open Space			\$930,000	\$800,000
Wastewater Treatment Capital	A10025	Sammamish River WQ; Habitat Improvement Project	\$650,000	
Wastewater Treatment Capital	A10025	Mill Creek Restoration (Green River Valley)	\$450,000	
SubTotal WP Capital			\$1,100,000	
Wastewater Treatment Operating		Consultant Study of Green and Cedar River WRIAs	\$300,000	
SubTotal WP Operating			\$300,000	
			\$4,255,000	\$2,318,000

* 4th quarter only

The county has again used a variety of local authorities, including current expense funds, real estate excise taxes, surface water management fees and open space bond funding, to support salmon initiatives. In addition, King County has initiated an aggressive, systematic approach to raising funds from state and federal sources to supplement local funding.

The initiative to raise federal funds began in 1997, when the principal focus was on funding through Corps of Engineers' funding programs for fish and wildlife habitat (1135 and 206 authorities). These are "continuing au-

thority” programs, which means they are authorized as continuous programs with annual appropriations. With an initial effort, King County was able to secure \$3.8 million in federal funding to match local sources through this initiative.

This effort was increased substantially in 1998, when the county joined with Tri-County partners in a concerted effort to secure federal funding. With county staff and officials providing leadership, this regional and state-wide initiative resulted in \$20 million in new federal funds coming to Washington State for salmon-recovery activities. An additional \$4 million was secured through Corps of Engineers authorities for salmon-habitat projects in King County. These efforts have been supported through county funding of an ESA funding coordinator position through 1999.

King County will increase its efforts to raise funds from state and federal sources in 1999. The biennial state budget process is before the Washington Legislature in early 1999, and King County has an aggressive legislative strategy to secure funding for ESA-related projects and programs.

The county’s funding objectives in the legislative session are:

- Ensure that federal funds are allocated by the state as intended by the President and Congress in the FY 1999 and FY 2000 federal budgets.
- Secure a commitment of state funding of \$15 to \$20 million annually to match federal and local sources for watershed-level habitat projects and programs.
- Establish procedures for allocating state and federal funding that are scientifically based and consistent with federally approved salmon recovery strategies.
- Clarify local authorities to raise and spend local funds for salmon projects and programs.

King County intends to be equally aggressive in seeking federal funding in the FY 2000 budget process. In mid-1998, the county began discussions with Governor Locke’s staff and interests in California and Oregon that culminated in the proposal by the governors of the four coastal states for salmon funding. The President has recently proposed \$100 million in the FY 2000 to address coastal salmon needs.

The county is focused on supporting the President’s proposal in Congressional deliberations on the FY 2000 budget. To this end, the county has established salmon as one of two top priorities in the county legislative strategy. Specific activities include:

- Sending elected officials to Washington D.C. on a monthly basis to meet with the delegation and staff,
- Retaining a Washington D.C. lobbyist to focus on salmon funding, and
- Dedication of considerable time of several County Council and departmental staff to support the FY 2000 federal budget process.

Future Funding

In anticipation of major ongoing costs associated with the ESA response, King County has devised and is implementing a major fundraising strategy for salmon. There are four elements of the strategy:

- New local funding authority and initiatives,
- Additional federal funding,
- Additional state funding,
- Partnerships with private entities.

New Local Funding Authority and Initiatives

King County has used its existing local authorities, such as the SWM service fee, to good effect, and has had some success at initiating interlocal funding partnerships through the basin plans and Watershed Forums. However, these mechanisms cannot be expected to bear the significant and sustained costs of local government actions to implement a long-term salmon recovery plan.

In expectation that local jurisdictions in the county would need a new funding source to pay the costs of regional surface water needs including salmon recovery, the county initiated a project called the Regional Needs Assessment in 1994. The RNA enlisted the support of all local governments within King County to define habitat, water quality, and flooding needs in which there was collective interest in funding; identify project lists corresponding to these regional needs; and devise a strategy to fund the implementation of these projects.

Tasks one and two of the RNA are completed, resulting in a project-specific list of more than \$250 million in watershed projects and programs that has been endorsed by local government leaders in the county.

The RNA recently moved to the next phase: devising and implementing the funding strategy to raise and spend regional funding. This strategy is addressed in Chapter 7 of this document.

From a funding standpoint, the bottom line is that King County is committing substantial staff and political support to develop a sustained local source of funding to raise more than \$200 million in capital funds plus more than \$10 million in annual programmatic funding through the RNA. If the RNA is ultimately successful at creating this new funding vehicle, this would provide a major source of local matching funds for federal and state funding for ESA-related projects and programs.

In addition to regional funding initiatives, the county will continue to facilitate partnerships among local governments on a sub-basin scale through the Watershed Forums. Examples of continuing interlocal projects include implementation of the Mill Creek Special Area Management Plan, the Lake Sammamish Water Quality Plan, and the Lake Washington Fisheries Studies. The county will continue to provide staffing support for the implementation of interlocal projects through the watershed teams section of King County's Department of Natural Resources.

Additional Federal Funding

King County will continue a strong focus on securing federal matching funds for ESA-related projects and programs into 2000 and beyond. The cornerstones of this program are:

1. To build the FY 2000 Pacific Coastal Salmon Recovery initiative into a major, multi-year federal commitment to coastal salmon needs, and
2. To diversify federal funding sources for salmon recovery.

The county will work with regional and national partners to extend and expand the federal role for coastal salmon recovery by:

- Building strong local coalitions in support of funding,
- Strengthening the base of support in the Administration and Congress,
- Identifying reasonable needs and priorities through salmon conservation planning, and
- Demonstrating effective mechanisms for implementing funded projects.

The target for this strategy is to secure a major, multi-year authorization for funding coupled with annual appropriations in support of the program. The authorization will follow precedents established in the Everglades and CALFED programs with funding through earmarked appropriations in appropriate departmental budgets.

In parallel with this earmarking strategy, King County will use existing federal grant and aid programs to diversify the base of federal support for salmon recovery. The most likely conduits for funding are the Corps of Engineers ecosystem restoration programs and the EPA's many grant programs associated with the Clean Water Act and the National Estuary Program. King County is already cosponsoring formal General Investigations studies under the Corps authority in the Green/Duwamish and Cedar/Sammamish watersheds that will provide an independent budget conduit for salmon projects in these systems. Initial appropriations under these authorities will begin in FY 2000, supported by King County lobbying commitments that have been described previously.

As in the FY1999 budget process, King County will support appropriations to meet the funding needs of the National Marine Fisheries Service and US Fish and Wildlife Service.

Additional State Funding

King County's long-term strategy for raising state funding will focus on:

1. Using existing state authorities to fund ESA-related projects and programs, and
2. Supporting the creation of a dedicated statewide funding source for salmon projects and programs.

The county will continue to compete for ESA funding through state grant programs such as the Centennial Clean Water Fund, the 2496 habitat grant program, passage barrier funding through the Department of Transportation, and land acquisition programs administered by the Interagency Committee on Outdoor Recreation. The county will dedicate sufficient staff time to prepare applications and support consideration of the proposals for these funding sources.

There are significant limitations to this strategy. Grant writing is staff-intensive, state grant programs tend to be narrowly focused, agency and legislative biases often influence distribution of funding, and funding levels vary greatly based on biannual legislative appropriations. While grant funding works well for individual projects and one-time needs, it is not a reliable approach to fund a sustained need such as salmon recovery under ESA.

Consequently, King County will support the creation of a dedicated funding source for salmon recovery in Washington State. The county's objectives of the fund are to:

- Direct a steady, dependable state revenue stream to ESA-related projects and programs,
- Ensure that funding is sufficient to meet at least half of the match required for federal funding,
- Allocate funding through a process that ensures that most crucial ESA needs are funded,
- Ensure that the collection and distribution of funding is equitable and approved by NMFS as a component of approved ESA recovery strategies.

King County will work in 1999 with the Governor, key legislators, and salmon interests elsewhere in the state to prepare legislation to establish and appropriate funding to the state salmon fund, aiming at passage in the 2000 legislative session. The county will apply the services of legislative and departmental staff and contract lobbyists to work the fund legislation through the 2000 session.

Partnerships with Private Entities

The final element of King County's strategy for funding ESA-mandated salmon recovery efforts is to initiate funding partnerships with private entities for projects and programs. The two mechanisms for securing private funding are to:

1. Solicit private sponsorship of salmon projects and programs, and
2. Develop habitat banks to more efficiently collect and allocate a mix of public and private funding.

King County has enlisted private co-sponsors for many habitat restoration projects and educational events in the last decade. Corporate giving of funding, volunteers, and materials has been instrumental in many of the largest tree planting projects undertaken by the county, including three major

projects on the Sammamish River. The wide publicity associated with the ESA listings of Puget Sound Chinook is expected to increase corporate interest in sponsorship of activities that are viewed as beneficial to salmon. King County will continue to solicit private sponsorship for major projects and events.

Habitat banking may have greater potential to harness private funding. The concept behind habitat banking is to use the WRIA conservation plans and steering committees to focus funding on the most effective and efficient salmon recovery actions by collecting and allocating project funds on a watershed scale. King County has already used habitat banking concepts through the Watershed Forums to allocate more than \$8 million in local government funding to habitat projects and programs in the last five years, and banking of discretionary funding among local governments is straightforward.

King County sees even greater potential to apply habitat banking concepts to allocate private and non-discretionary public funding, and will initiate discussions with regulatory agencies to determine the feasibility of this approach. The central issue is whether contributions to a regional habitat bank will be acceptable to regulators in lieu of spending on site-specific habitat improvements and, if so, under what circumstances. The working hypotheses that motivate these discussions are that:

- Public and private entities will invest heavily in habitat protection and restoration as a condition of ESA approval,
- In the absence of an approved habitat bank, funding will be spent primarily within the jurisdiction or ownership of the responsible party,
- The sites where funding will be allocated are not necessarily the most likely to show significant improvement, and therefore
- Spending funds through a watershed bank is likely to result in greater improvements at an equal or lower cost than otherwise.

There are substantial challenges to habitat banking, including securing the approval of regulators to approve an experimental approach, developing the process and criteria for valuation of “deposits” and “withdrawals,” and establishing the certainty among regulated jurisdictions and industries that a bank will fulfill ESA requirements for habitat spending. Nevertheless, banking has the promise of harnessing a substantial amount of funding, perhaps tens of millions of dollars, to pay for the most effective habitat projects in King County watersheds.

Therefore, King County will commit to initiate discussions with regulators and with the regulated jurisdictions and industries in 1999 to determine the feasibility of habitat banking in county watersheds. If discussions are fruitful, the county will commit to testing banking concepts on a pilot basis in one or more watersheds beginning in 2000.

Summary of Funding Commitments

In summary, King County is offering the following funding commitments as part of the 4(d) rule:

1. The political will among King County elected officials to provide sufficient funding to salmon habitat needs, as evidenced by more than \$195 million in prior funding for salmon-related projects and programs.
2. More than \$15.4 million in funding in the 1998 and 1999 budgets to initiate WRIA conservation planning, to implement the first round of land acquisition and habitat improvements, and to build a funding strategy to meet long-term needs.
3. A commitment to an aggressive fundraising strategy including the following initiatives:
 - Pursuing the creation of a new countywide funding source through the Regional Needs Assessment that covers needs throughout geographic King County.
 - Building interlocal funding partnerships via the Watershed Forums and other watershed alliances.
 - Applying for state funds through existing grant programs.
 - Working with political leaders to create a sustained, dedicated, state funding source for salmon recovery.
 - Supporting an earmarked federal appropriation to coastal salmon recovery in FY 2000 and beyond.
 - Diversifying the federal strategy by opening Corps of Engineers and EPA conduits for funding.
 - Building partnerships with private entities through corporate co-sponsorship of salmon projects.
 - Exploring the creation of habitat banks with regulators and the regulated communities.